

ATTACHMENT 2

To: WUE Subcommittee
From: Mark Roberson and Manucher Alemi
Date: February 15, 2005
Re: Quantifiable Objectives

At the January WUE Subcommittee meeting, participants raised several questions and comments regarding the status and efficacy of Quantifiable Objectives' implementation. The attached material represents a first-cut update on Quantifiable Objectives, providing both a status report on implementation progress and results and fleshing out some issues meriting additional discussion and consideration. It is our intention to begin engaging this topic at the Subcommittee's February 23 meeting.

Quantifiable Objectives Update and Approach to Moving Forward

ISSUE:

- Quantifiable Objectives established in the Record of Decision as foundation for agricultural water use efficiency efforts. Represented unique approach; conceptually sound but technically challenging. Milestones captured in Ag Assurances document reviewed by BD-PAC in September 2002.
- Recent WUE Subcommittee discussion on Performance Measures triggering stakeholder interest in review of progress-to-date and potential for QOs to continue serving as foundation for ag actions.

STATUS:

- 55 of the 196 of quantifiable objectives are defined. No new QOs have been defined since Dec 2000.
- Of the 46 ag water use efficiency grant applications received by DWR to-date, 13 (or 30%) have been in pursuit of QOs. Of the 13 awarded, 4 were feasibility studies.
- \$45 million in WUE grant funding available over next two, maybe three years – this includes the current Prop 50 application.

EXPERIENCE TO-DATE:

- Only one ag grant round has been awarded (2000) to-date; second ag grant round is currently in the selection process.
- Current grant applications include several projects that are ideal matches between proposed project and one or more QOs.
- Not enough of a track record yet to meaningfully ascertain program effectiveness
 - Grant applications in pursuit of QOs hint at potential, but too few to validate
- Agencies currently lack staff able to aggressively tackle both QO articulation and effective marketing (aggressive outreach, one-on-one work to integrate QOs into local district thinking and operations). In addition, agency staff are not prepared to review grantees reports and link them back to the QOs.
 - Required work does not appear to be good match with existing skill sets.
- Alternative strategies/approaches needed if QOs to be aggressively pursued

CRITICAL QUESTIONS

- Is the technical basis for QOs still sound? Are the data used to develop QOs still valid? Is the data needed to refine/develop QOs available?
- Are QO-related grant programs viable in the foreseeable future?
- Is verification of progress towards QO attainment viable?
- Given current institutional arrangements between implementing agencies and the BDA, is an incentive-based QO-driven approach implementable?
- What are other options if the current QO approach is deemed not viable?

POTENTIAL NEXT STEP

The Program needs to confirm its implementation strategy by 2007, as called for in the Record of Decision. Accordingly, the Program's determination of the effectiveness of Quantifiable Objective should be determined early enough to confirm an implementation strategy in 2007. In working towards this goal, the Program and Subcommittee should consider the following:

- Analyze the QO-related proposals submitted under the WUE PSP for developing strategy for the next cycle of PSP. Carefully, monitor the QO-related proposals that receive grants for future program refinement.
- Would it make sense to change the emphasis of Quantifiable Objectives in future PSPs?
- Should priorities be adjusted to reinitiate work on Quantifiable Objective refinement and development?
- Between now and the end of 2007, we will need to engage the question of post-Stage 1 implementation. When we get together, do we want to consider significant departures in approach?